



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

April 26, 2004

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

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**MOTION TO SUPPORT SB 1397 (ESCUTIA)—SCAQMD REGULATION OF
LOCOMOTIVE EMISSIONS (ITEM NO. 36-A, AGENDA OF APRIL 27, 2004)**

Item No. 36-A on the April 27, 2004 Agenda is a motion by Supervisor Antonovich to support SB 1397 (Escutia) and send five-signature letters to the members of the California Senate and Assembly urging adoption of this legislation.

SB 1397 would authorize the South Coast Air Quality Management District (SCAQMD), to the extent allowed under Federal law, to require retrofitting of locomotive, heavy-duty motor vehicles, and non-road engines to reduce emissions of air contaminants to the maximum extent feasible. The regulation of vehicles and non-road engines would only apply to fleets with more than 15 vehicles or engines that operate within rail yards in the SCAQMD's jurisdiction. SB 1397 would require the SCAQMD to submit its regulations to the Federal Environmental Protection Agency (USEPA) for a waiver from that agency.

After January 1, 2006, SB 1397 would allow the SCAQMD to establish mitigation fees for railroad companies that operate within Los Angeles, Orange, Riverside, or San Bernardino Counties. The fees would have to meet several criteria including: the establishment of a nexus between the activities for which the fee is charged and the pollution impacts to be mitigated; a finding that the fee does not exceed the reasonable cost of mitigating these impacts; assurance that the fee will not cause a shift from rail to other modes of transportation resulting in a worsening of air quality; creation of a program of projects for expending the fees that results from input of an advisory committee and at least one public meeting; a five percent limitation on administrative costs; analysis showing that projects have a positive cost-benefit ratio; use of fifty percent of the fees for mitigation projects that reduce emissions from independent truckers in the Alameda Corridor; and production of an annual report on the mitigation fee revenues, the projects funded by the fees, and the

results of the projects. The bill prohibits the imposition of mitigation fees if all of the railroads have entered into a binding agreement with SCAQMD to meet their fair share emission reduction targets, and the USEPA has adopted regulations that fully meet the fair share requirements set by SCAQMD.

The Senate Environmental Quality Committee's analysis states that the SCAQMD is responsible for meeting Federal clean air standards, but that it has no legislative authority over railroads, which are a major source of pollution in the region. Reductions in emissions from locomotives lag far behind other sources, especially those that are regulated by the State or SCAQMD. The South Coast Air Basin is the only "extreme" non-attainment air basin for ozone in the United States. Failure to meet the Federal standards by the 2010 deadline will have significant consequences for human health. It will also impact the economy, as new businesses will not be able to obtain permits, and it will cause the loss of billions of Federal transportation dollars for projects in the region.

The SCAQMD reports that railroad operations produce more emissions than the 100 largest oil refineries in the South Coast Air Basin. Emission reductions that will be achieved by locomotives by 2010, under USEPA regulations, will fall short of what is needed to achieve clean air, and will be less than the efforts made by other source industries. It is estimated that locomotives emit 36 tons of NOx per day in the South coast Air Basin and that emission reductions will cost \$4,000 per ton of NOx emissions reduced. This is less than has been spent to reduce other sources.

The SCAQMD is sponsoring this bill. A large number of organizations support SB 1397, including the American Lung Association, the California Nurses Association, the Coalition for Clean Air, the Cities of Commerce, Huntington Park, and Norwalk, the Los Angeles Unified School District, the California Sierra Club, and the Teamsters.

The opposition, which includes the California Association of Port Authorities, the California Railroad Industry, the California Retailers Association, and the California Trucking Association, say that locomotives are already fully regulated by the U.S. Environmental Protection Agency, and that SB 1397 would violate the current regulatory structure for interstate commerce, unfairly penalizing the railroads. Also, the bill will increase the cost of rail transport, causing a shift in container traffic to trucks, resulting in an increase in air pollution.

SB 1397 was introduced on February 18, 2004. It was passed by the Senate Committee on Environmental Quality on April 12, 2004, by a vote of 4 to 1, and it is scheduled for a hearing before the Senate Transportation Committee on April 27, 2004.

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As SB 1397 will have no direct impact on any County operations, and no department has recommended a position on this bill. Although there are County legislative policies that generally support air quality improvement, there is no policy specific to the regulation of locomotive emissions. **A County position is, therefore, a matter for Board determination.**

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MAL:DRS:ib

c: Executive Officer, Board of Supervisors
County Counsel